

**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT  
SEPTEMBER 30, 1999

	GOVERNMENTAL FUNDS				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
<u>ASSETS AND OTHER DEBITS</u>					
ASSETS					
Cash and Cash Equivalents	\$ 8,263,332	7,564,861	341,669	17,198,442	82,691,308
Investments	0	40,083	330,284	42,830,972	699,100
Receivables (Net of Allowances for Uncollectibles)					
Property Taxes	1,582,593	0	172,895	0	0
Accounts and Notes	3,639,032	0	0	3,819	6,010,083
Unbilled Services	0	0	0	0	2,568,024
Assessments	0	0	0	1,120,525	117,568
Accrued Dividends and Interest	0	0	0	152,565	5,215
Due from Other Funds	0	0	0	1,365,460	1,097,634
Due from Other Governments	4,774,112	2,779,111	0	189,520	496,645
Inventories	160,309	10,468,027	0	3,048,533	621,373
Restricted Assets					
Cash and Cash Equivalents	0	0	0	0	21,298,770
Investments	0	0	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	306,545,819
Investment in Joint Venture	0	0	0	0	1,321,301
Deferred Bond Issuance Costs	0	0	0	0	71,612
Deposits	78,882	0	0	0	0
Total Assets	18,498,260	20,852,082	844,848	65,909,836	423,544,452
OTHER DEBITS					
Amount Available for Payment of General Long-Term Debt	0	0	0	0	0
Amount to be Provided for Payment of General Long-Term Debt	0	0	0	0	0
Total Other Debits	0	0	0	0	0
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 18,498,260</u>	<u>20,852,082</u>	<u>844,848</u>	<u>65,909,836</u>	<u>423,544,452</u>

The accompanying notes are an integral part of these financial statements.

FUNDS	FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT		1999	1998
INTERNAL SERVICE	TRUST AND AGENCY						
26,632,091	122,548	0	0	142,814,251	48,035	142,862,286	130,353,822
0	661,067,289	0	0	704,967,728	0	704,967,728	629,053,311
0	0	0	0	1,755,488	0	1,755,488	2,185,266
0	2,075,211	0	0	11,728,145	0	11,728,145	14,902,491
0	0	0	0	2,568,024	0	2,568,024	2,804,380
0	0	0	0	1,238,093	0	1,238,093	1,447,533
0	3,125,562	0	0	3,283,342	0	3,283,342	3,187,789
0	0	0	0	2,463,094	0	2,463,094	1,122,875
0	0	0	0	8,239,388	0	8,239,388	5,506,454
282,320	0	0	0	14,580,562	0	14,580,562	11,667,971
18,535	0	0	0	21,317,305	0	21,317,305	22,983,066
0	0	0	0	0	0	0	14,042,522
19,801,295	12,094	195,235,717	0	521,594,925	0	521,594,925	498,874,116
0	0	0	0	1,321,301	0	1,321,301	1,363,640
0	0	0	0	71,612	0	71,612	166,678
145,037	2,175	0	0	226,094	0	226,094	230,490
46,879,278	666,404,879	195,235,717	0	1,438,169,352	48,035	1,438,217,387	1,339,892,404
0	0	0	671,953	671,953	0	671,953	1,175,892
0	0	0	124,460,102	124,460,102	0	124,460,102	118,114,064
0	0	0	125,132,055	125,132,055	0	125,132,055	119,289,956
46,879,278	666,404,879	195,235,717	125,132,055	1,563,301,407	48,035	1,563,349,442	1,459,182,360

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**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT  
SEPTEMBER 30, 1999

	GOVERNMENTAL FUNDS				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>					
<b>LIABILITIES</b>					
Vouchers Payable	\$ 1,152,306	885,867	0	1,170,943	2,192,394
Contracts Payable	0	46,061	0	218,598	841,403
Accrued Payroll	2,981,556	66,526	0	0	588,646
Accrued Interest Payable	0	0	0	0	0
Due to Other Funds	0	0	0	1,365,460	0
Due to Other Governments	3,370	123,950	0	0	22,796
Estimated Insurance Claims Payable	0	0	0	0	0
Payable from Restricted Assets					
Vouchers Payable	0	0	0	0	0
Accrued Interest	0	0	0	0	58,715
Deposits	0	0	0	0	3,284,729
Accrued Compensated Absences and Longevity	73,605	0	0	0	3,665,448
Deposits	1,677,649	923,536	0	159,500	699,826
Deferred Revenue	3,232,103	3,147,250	172,895	1,051,789	380,886
Long-Term Bonds, Notes and Loans					
Bonds, Notes and Loans Payable	0	0		0	13,210,000
Unamortized Bond Discount	0	0	0	0	(170,894)
Estimated Landfill Closure Costs	0	0	0	0	10,000,000
<b>Total Liabilities</b>	<b>9,120,589</b>	<b>5,193,190</b>	<b>172,895</b>	<b>3,966,290</b>	<b>34,773,949</b>
<b>EQUITY AND OTHER CREDITS</b>					
Contributions	0	0	0	0	114,133,176
Investment in General Fixed Assets	0	0	0	0	0
Retained Earnings					
Reserved	0	0	0	0	16,800,125
Unreserved	0	0	0	0	257,837,202
Fund Balances					
Reserved	2,048,681	10,661,205	671,953	15,999,826	0
Unreserved	7,328,990	4,997,687	0	45,943,720	0
<b>Total Retained Earnings/Fund Balances</b>	<b>9,377,671</b>	<b>15,658,892</b>	<b>671,953</b>	<b>61,943,546</b>	<b>274,637,327</b>
<b>Total Equity and Other Credits</b>	<b>9,377,671</b>	<b>15,658,892</b>	<b>671,953</b>	<b>61,943,546</b>	<b>388,770,503</b>
<u><b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b></u>	<u><b>\$ 18,498,260</b></u>	<u><b>20,852,082</b></u>	<u><b>844,848</b></u>	<u><b>65,909,836</b></u>	<u><b>423,544,452</b></u>

The accompanying notes are an integral part of these financial statements.

FUNDS	FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT		1999	1998
INTERNAL SERVICE	TRUST AND AGENCY						
639,586	1,866,948	0	0	7,908,044	0	7,908,044	12,285,697
0	0	0	0	1,106,062	0	1,106,062	1,608,251
48,704	11,184	0	0	3,696,616	0	3,696,616	3,047,899
0	0	0	0	0	0	0	21,227
0	1,097,634	0	0	2,463,094	0	2,463,094	1,122,875
0	119,677	0	0	269,793	0	269,793	142,114
14,835,575	0	0	0	14,835,575	0	14,835,575	16,961,600
0	0	0	0	0	0	0	36,377
18,535	0	0	0	77,250	0	77,250	153,500
0	0	0	0	3,284,729	0	3,284,729	2,930,384
231,740	0	0	19,757,055	23,727,848	0	23,727,848	22,048,362
223,242	0	0	0	3,683,753	0	3,683,753	2,829,861
0	0	0	0	7,984,923	0	7,984,923	6,325,610
5,475,000	0	0	105,375,000	124,060,000	0	124,060,000	136,830,000
0	0	0	0	(170,894)	0	(170,894)	(321,924)
0	0	0	0	10,000,000	0	10,000,000	10,000,000
21,472,382	3,095,443	0	125,132,055	202,926,793	0	202,926,793	216,021,833
16,139,832	0	0	0	130,273,008	0	130,273,008	128,932,019
0	0	195,235,717	0	195,235,717	0	195,235,717	181,790,283
0	0	0	0	16,800,125	0	16,800,125	18,477,764
9,267,064	0	0	0	267,104,266	0	267,104,266	243,335,188
0	663,309,436	0	0	692,691,101	0	692,691,101	609,895,541
0	0	0	0	58,270,397	48,035	58,318,432	60,729,732
9,267,064	663,309,436	0	0	1,034,865,889	48,035	1,034,913,924	932,438,225
25,406,896	663,309,436	195,235,717	0	1,360,374,614	48,035	1,360,422,649	1,243,160,527
46,879,278	666,404,879	195,235,717	125,132,055	1,563,301,407	48,035	1,563,349,442	1,459,182,360

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**CITY OF FORT LAUDERDALE, FLORIDA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

	<u>GOVERNMENTAL</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<u>REVENUES</u>		
Property Taxes	\$ 60,130,019	0
Utility Taxes	27,448,778	0
Franchise Taxes	12,145,711	0
Licenses and Permits	7,861,862	0
Fines and Forfeitures	2,084,421	643,289
Intergovernmental	15,076,978	12,268,604
Charges for Services	20,304,368	48,000
Other	16,377,776	827,255
Total Revenues	<u>161,429,913</u>	<u>13,787,148</u>
<u>EXPENDITURES</u>		
Current		
General Government	21,494,152	0
Public Safety	93,783,214	3,550,360
Physical Environment	5,041,122	82,474
Transportation	2,180,301	748,010
Economic Environment	1,771,429	8,418,284
Culture and Recreation	23,548,774	0
Capital Outlay	0	390,292
Debt Service		
Principal Retirement	0	50,000
Interest and Fiscal Charges	0	100,883
Total Expenditures	<u>147,818,992</u>	<u>13,340,303</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>13,610,921</u>	<u>446,845</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Debt Issuance	0	0
Proceeds from Advance Refunding of Bonds	0	0
Payment to Refunding Bond Escrow	0	0
Operating Transfers In	157,763	1,658,681
Operating Transfers Out	(14,828,601)	(848,986)
Total Other Financing Sources (Uses)	<u>(14,670,838)</u>	<u>809,695</u>
<u>EXCESS REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(1,059,917)</u>	<u>1,256,540</u>
<u>FUND BALANCES - BEGINNING OF PERIOD</u>	<u>10,628,373</u>	<u>14,665,693</u>
Equity Transfers from Other Funds	0	0
Equity Transfers to Other Funds	<u>(190,785)</u>	<u>(263,341)</u>
<u>FUND BALANCES - END OF PERIOD</u>	<u>\$ 9,377,671</u>	<u>15,658,892</u>

The accompanying notes are an integral part of these financial statements.

FUNDS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
DEBT SERVICE	CAPITAL PROJECTS	PRIMARY GOVERNMENT		1999	1998
0	0	60,130,019	41,979	60,171,998	56,580,980
0	0	27,448,778	0	27,448,778	25,873,734
0	0	12,145,711	0	12,145,711	12,185,857
0	0	7,861,862	0	7,861,862	6,594,535
0	0	2,727,710	0	2,727,710	2,785,653
0	1,361,423	28,707,005	0	28,707,005	29,481,705
0	0	20,352,368	0	20,352,368	18,211,448
118,874	3,256,721	20,580,626	2,226	20,582,852	21,373,379
118,874	4,618,144	179,954,079	44,205	179,998,284	173,087,291
0	0	21,494,152	0	21,494,152	19,645,621
0	0	97,333,574	0	97,333,574	91,591,164
0	0	5,123,596	0	5,123,596	4,990,333
0	0	2,928,311	0	2,928,311	2,543,923
0	0	10,189,713	39,411	10,229,124	10,940,886
0	0	23,548,774	0	23,548,774	21,205,154
0	15,117,288	15,507,580	0	15,507,580	16,790,009
8,210,000	0	8,260,000	0	8,260,000	7,324,066
4,680,817	0	4,781,700	0	4,781,700	5,767,055
12,890,817	15,117,288	189,167,400	39,411	189,206,811	180,798,211
(12,771,943)	(10,499,144)	(9,213,321)	4,794	(9,208,527)	(7,710,920)
0	11,927,796	11,927,796	0	11,927,796	9,500,000
26,316,129	0	26,316,129	0	26,316,129	6,070,347
(26,125,103)	0	(26,125,103)	0	(26,125,103)	(5,974,003)
12,076,978	9,910,126	23,803,548	0	23,803,548	20,843,361
0	(5,973,526)	(21,651,113)	0	(21,651,113)	(18,072,477)
12,268,004	15,864,396	14,271,257	0	14,271,257	12,367,228
(503,939)	5,365,252	5,057,936	4,794	5,062,730	4,656,308
1,175,892	56,903,294	83,373,252	43,241	83,416,493	79,329,800
0	0	0	0	0	3,153,960
0	(325,000)	(779,126)	0	(779,126)	(3,723,575)
671,953	61,943,546	87,652,062	48,035	87,700,097	83,416,493

**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) -  
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

	GENERAL FUND			SPECIAL REVENUE	
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL
<b>REVENUES</b>					
Property Taxes	\$ 59,826,914	60,130,019	303,105	0	0
Utility Taxes	25,647,870	27,448,778	1,800,908	0	0
Franchise Taxes	12,337,280	12,145,711	(191,569)	0	0
Licenses and Permits	7,532,238	7,861,862	329,624	0	0
Fines and Forfeitures	1,946,324	2,084,421	138,097	0	0
Intergovernmental	14,159,100	15,076,978	917,878	12,805,774	12,268,604
Charges for Services	19,944,763	20,304,368	359,605	0	0
Other	16,240,180	16,377,776	137,596	530,091	657,812
Total Revenues	<u>157,634,669</u>	<u>161,429,913</u>	<u>3,795,244</u>	<u>13,335,865</u>	<u>12,926,416</u>
<b>EXPENDITURES</b>					
Current					
General Government	23,699,541	22,226,247	1,473,294	0	0
Public Safety	94,964,535	94,446,549	517,986	3,974,380	2,862,160
Physical Environment	5,239,060	5,056,997	182,063	23,100	82,474
Transportation	2,328,150	2,277,858	50,292	1,513,318	748,010
Economic Environment	2,296,771	1,829,181	467,590	8,548,271	8,418,393
Culture and Recreation	23,843,371	23,870,532	(27,161)	0	0
Capital Outlay	0	0	0	1,098,177	522,462
Debt Service					
Principal Retirement	0	0	0	55,000	50,000
Interest and Fiscal Charges	0	0	0	114,232	100,882
Total Expenditures	<u>152,371,428</u>	<u>149,707,364</u>	<u>2,664,064</u>	<u>15,326,478</u>	<u>12,784,381</u>
<b>EXCESS REVENUES OVER (UNDER)</b>					
EXPENDITURES	<u>5,263,241</u>	<u>11,722,549</u>	<u>6,459,308</u>	<u>(1,990,613)</u>	<u>142,035</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Advance Refunding of Bonds	0	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Operating Transfers In	200,140	157,763	(42,377)	1,673,840	1,658,681
Operating Transfers Out	(16,559,196)	(14,828,601)	1,730,595	(602,233)	(601,884)
Total Other Financing Sources (Uses)	<u>(16,359,056)</u>	<u>(14,670,838)</u>	<u>1,688,218</u>	<u>1,071,607</u>	<u>1,056,797</u>
<b>EXCESS REVENUES AND OTHER SOURCES</b>					
OVER (UNDER) EXPENDITURES AND					
OTHER USES	<u>(11,095,815)</u>	<u>(2,948,289)</u>	<u>8,147,526</u>	<u>(919,006)</u>	<u>1,198,832</u>
<b>FUND BALANCES - BEGINNING OF PERIOD</b>	8,414,046	8,414,046	0	12,001,203	12,001,203
Encumbrances at September 30, 1998	2,214,327	2,214,327	0	0	10,555
Equity Transfers from Other Funds	0	0	0	0	0
Equity Transfers to Other Funds	<u>(190,785)</u>	<u>(190,785)</u>	<u>0</u>	<u>(263,341)</u>	<u>(263,341)</u>
<b>FUND BALANCES - END OF PERIOD</b>	<u>\$ (658,227)</u>	<u>7,489,299</u>	<u>8,147,526</u>	<u>10,818,856</u>	<u>12,947,249</u>

The accompanying notes are an integral part of these financial statements.

FUNDS	DEBT SERVICE FUNDS			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
0	0	0	0	59,826,914	60,130,019	303,105
0	0	0	0	25,647,870	27,448,778	1,800,908
0	0	0	0	12,337,280	12,145,711	(191,569)
0	0	0	0	7,532,238	7,861,862	329,624
0	0	0	0	1,946,324	2,084,421	138,097
(537,170)	0	0	0	26,964,874	27,345,582	380,708
0	0	0	0	19,944,763	20,304,368	359,605
127,721	127,325	118,874	(8,451)	16,897,596	17,154,462	256,866
<u>(409,449)</u>	<u>127,325</u>	<u>118,874</u>	<u>(8,451)</u>	<u>171,097,859</u>	<u>174,475,203</u>	<u>3,377,344</u>
0	0	0	0	23,699,541	22,226,247	1,473,294
1,112,220	0	0	0	98,938,915	97,308,709	1,630,206
(59,374)	0	0	0	5,262,160	5,139,471	122,689
765,308	0	0	0	3,841,468	3,025,868	815,600
129,878	0	0	0	10,845,042	10,247,574	597,468
0	0	0	0	23,843,371	23,870,532	(27,161)
575,715	0	0	0	1,098,177	522,462	575,715
5,000	8,844,242	8,210,000	634,242	8,899,242	8,260,000	639,242
13,350	5,574,436	4,680,817	893,619	5,688,668	4,781,699	906,969
<u>2,542,097</u>	<u>14,418,678</u>	<u>12,890,817</u>	<u>1,527,861</u>	<u>182,116,584</u>	<u>175,382,562</u>	<u>6,734,022</u>
<u>2,132,648</u>	<u>(14,291,353)</u>	<u>(12,771,943)</u>	<u>1,519,410</u>	<u>(11,018,725)</u>	<u>(907,359)</u>	<u>10,111,366</u>
0	26,316,129	26,316,129	0	26,316,129	26,316,129	0
0	(26,125,103)	(26,125,103)	0	(26,125,103)	(26,125,103)	0
(15,159)	13,792,763	12,076,978	(1,715,785)	15,666,743	13,893,422	(1,773,321)
349	0	0	0	(17,161,429)	(15,430,485)	1,730,944
<u>(14,810)</u>	<u>13,983,789</u>	<u>12,268,004</u>	<u>(1,715,785)</u>	<u>(1,303,660)</u>	<u>(1,346,037)</u>	<u>(42,377)</u>
2,117,838	(307,564)	(503,939)	(196,375)	(12,322,385)	(2,253,396)	10,068,989
0	1,175,892	1,175,892	0	21,591,141	21,591,141	0
10,555	0	0	0	2,214,327	2,224,882	10,555
0	0	0	0	0	0	0
0	0	0	0	(454,126)	(454,126)	0
<u>2,128,393</u>	<u>868,328</u>	<u>671,953</u>	<u>(196,375)</u>	<u>11,028,957</u>	<u>21,108,501</u>	<u>10,079,544</u>



**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES  
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

	<u>PROPRIETARY</u>
	<u>ENTERPRISE</u>
<u>OPERATING REVENUES</u>	
Charges for Services	\$ 81,222,460
Investment Income	0
Equity in Earnings of Joint Venture	102,757
Other	<u>8,766,688</u>
Total Operating Revenues	<u>90,091,905</u>
<u>OPERATING EXPENSES</u>	
Personal Services	24,297,777
Current Expenses	40,886,286
Administrative Costs	0
Depreciation	<u>8,952,478</u>
Total Operating Expenses	<u>74,136,541</u>
Operating Income (Loss)	<u>15,955,364</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Revenues	
Interest	4,759,227
Reduction in Estimated Landfill Closure costs	0
Other	<u>208,814</u>
Total	<u>4,968,041</u>
Expenses	
Interest and Fiscal Charges	1,382,572
Less Interest Capitalized	(572,520)
Other	<u>26,704</u>
Total	<u>836,756</u>
Total Non-Operating Revenues (Expenses)	<u>4,131,285</u>
Income (Loss) Before Operating Transfers	<u>20,086,649</u>
<u>OPERATING TRANSFERS IN (OUT)</u>	
Transfers In	195,618
Transfers Out	<u>(2,348,053)</u>
Total Operating Transfers In (Out)	<u>(2,152,435)</u>
Income (Loss) Before Extraordinary Item	17,934,214
<u>EXTRAORDINARY LOSS ON DEFEASANCE OF BONDS</u>	<u>(381,158)</u>
<u>NET INCOME (LOSS)</u>	17,553,056
Depreciation on Contributed Fixed Assets	<u>2,669,926</u>
Increase (Decrease) in Retained Earnings/Fund Balances	<u>20,222,982</u>
<u>RETAINED EARNINGS/FUND BALANCES - BEGINNING OF PERIOD</u>	254,870,652
Equity Transfers to Other Funds	<u>(456,307)</u>
<u>RETAINED EARNINGS/FUND BALANCES - END OF PERIOD</u>	<u>\$ 274,637,327</u>

The accompanying notes are an integral part of these financial statements.

FUNDS INTERNAL SERVICE	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1999	1998
30,351,424	0	111,573,884	106,303,558
0	1,423,044	1,423,044	974,573
0	0	102,757	87,228
1,296,376	406,228	10,469,292	12,018,879
<u>31,647,800</u>	<u>1,829,272</u>	<u>123,568,977</u>	<u>119,384,238</u>
2,012,186	0	26,309,963	25,253,682
23,100,968	0	63,987,254	66,723,738
0	517,231	517,231	562,635
5,993,065	0	14,945,543	14,678,914
<u>31,106,219</u>	<u>517,231</u>	<u>105,759,991</u>	<u>107,218,969</u>
541,581	1,312,041	17,808,986	12,165,269
1,039,156	0	5,798,383	7,940,411
0	0	0	10,500,000
981,633	0	1,190,447	1,160,430
<u>2,020,789</u>	<u>0</u>	<u>6,988,830</u>	<u>19,600,841</u>
263,468	0	1,646,040	1,972,262
0	0	(572,520)	(305,092)
0	0	26,704	0
263,468	0	1,100,224	1,667,170
<u>1,757,321</u>	<u>0</u>	<u>5,888,606</u>	<u>17,933,671</u>
2,298,902	1,312,041	23,697,592	30,098,940
0	0	195,618	8,822
0	0	(2,348,053)	(2,779,706)
0	0	(2,152,435)	(2,770,884)
2,298,902	1,312,041	21,545,157	27,328,056
0	0	(381,158)	0
2,298,902	1,312,041	21,163,999	27,328,056
25,862	0	2,695,788	2,623,825
<u>2,324,764</u>	<u>1,312,041</u>	<u>23,859,787</u>	<u>29,951,881</u>
6,942,300	11,441,015	273,253,967	244,521,090
0	0	(456,307)	(1,219,004)
<u>9,267,064</u>	<u>12,753,056</u>	<u>296,657,447</u>	<u>273,253,967</u>

**CITY OF FORT LAUDERDALE, FLORIDA**

**COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

PROPRIETARY

ENTERPRISE

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 90,397,272
Receipts from Other Funds	1,054,063
Other Operating Receipts	0
Payments to Suppliers	(27,011,883)
Payments for Services of Employees	(24,097,913)
Payments to Other Funds	(15,831,332)
Net Cash Provided (Used) by Operating Activities	<u>24,510,207</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Repayment of Loans to Other Funds	934,883
Operating Grant Receipts	189,867
Transfers from Other Funds	195,618
Repayment of Loans from Other Funds	0
Loans to Other Funds	(1,097,634)
Transfers to Other Funds	(2,804,360)
Net Cash Used by Non-Capital Financing Activities	<u>(2,581,626)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Debt Issuance	0
Proceeds from Disposal of Fixed Assets	450
Capital Contributions	2,980,785
Investment in Joint Venture	145,096
Acquisition and Construction of Fixed Assets	(18,238,649)
Retirement of Debt	(16,896,158)
Interest Paid on Debt	(1,305,211)
Net Cash Used by Capital and Related Financing Activities	<u>(33,313,687)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	14,740,733
Interest and Dividends on Investments	4,761,796
Purchase of Investments	(353,611)
Net Cash Provided by Investing Activities	<u>19,148,918</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

7,763,812

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD

96,226,266

CASH AND CASH EQUIVALENTS - END OF PERIOD

\$ 103,990,078

CLASSIFIED AS

Unrestricted Assets	\$ 82,691,308
Restricted Assets	<u>21,298,770</u>

\$ 103,990,078

The accompanying notes are an integral part of these financial statements.

FUNDS INTERNAL SERVICE	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1999	1998
0	406,228	90,803,500	86,539,683
31,357,219	0	32,411,282	30,561,558
290,581	0	290,581	310,236
(25,108,207)	(411,794)	(52,531,884)	(49,521,689)
(2,016,560)	0	(26,114,473)	(25,111,916)
(446,688)	0	(16,278,020)	(15,378,403)
<u>4,076,345</u>	<u>(5,566)</u>	<u>28,580,986</u>	<u>27,399,469</u>
0	0	934,883	2,816,338
0	0	189,867	73,453
0	0	195,618	8,822
0	0	0	(136,500)
0	0	(1,097,634)	(934,883)
0	0	(2,804,360)	(3,998,710)
<u>0</u>	<u>0</u>	<u>(2,581,626)</u>	<u>(2,171,480)</u>
0	0	0	6,066,116
1,230,685	0	1,231,135	1,277,879
647,092	0	3,627,877	4,776,734
0	0	145,096	128,965
(5,699,157)	0	(23,937,806)	(27,406,301)
(570,000)	0	(17,466,158)	(4,125,000)
(266,049)	0	(1,571,260)	(1,899,189)
<u>(4,657,429)</u>	<u>0</u>	<u>(37,971,116)</u>	<u>(21,180,796)</u>
0	6,556,191	21,296,924	8,825,903
1,039,156	503,211	6,304,163	8,452,419
0	(7,053,836)	(7,407,447)	(9,509,291)
<u>1,039,156</u>	<u>5,566</u>	<u>20,193,640</u>	<u>7,769,031</u>
458,072	0	8,221,884	11,816,224
<u>26,192,554</u>	<u>0</u>	<u>122,418,820</u>	<u>110,602,596</u>
<u>26,650,626</u>	<u>0</u>	<u>130,640,704</u>	<u>122,418,820</u>
26,632,091	0	109,323,399	99,435,754
18,535	0	21,317,305	22,983,066
<u>26,650,626</u>	<u>0</u>	<u>130,640,704</u>	<u>122,418,820</u>

Continued on next page

**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

PROPRIETARY

ENTERPRISE

RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED (USED) BY OPERATING ACTIVITIES

OPERATING INCOME

\$ 15,955,364

ADJUSTMENTS TO RECONCILE OPERATING INCOME TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Depreciation	8,952,478
Net Increase in Fair Value of Investments	0
Interest and Dividends on Investments	0
Equity in Earnings of Joint Venture	(102,757)
Changes in Assets and Liabilities	
(Increase) Decrease in Receivables	
Accounts	508,215
Unbilled Service	236,356
Accrued Dividends and Interest	0
(Increase) Decrease in Inventories	101,524
Decrease in Deferred Bond Issue Costs	95,066
(Increase) Decrease in Deposits	0
Increase (Decrease) in Vouchers Payable	(2,172,848)
Increase in Accrued Payroll	71,142
Increase (Decrease) in Due to Other Governments	19,329
Increase (Decrease) in Estimated Insurance Claims Payable	0
Increase in Deposits Payable from Restricted Assets	354,345
Increase (Decrease) in Accrued Compensated Absences and Longevity	128,722
Increase (Decrease) in Deposits	238,480
Increase (Decrease) in Deferred Revenue	124,791
Total Adjustments	<u>8,554,843</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$ 24,510,207

RECONCILIATION OF CASH AND CASH EQUIVALENTS OF FIDUCIARY FUNDS

Non-expendable Trust Funds  
Pension Trust Funds  
Agency Funds

CASH AND CASH EQUIVALENTS - FIDUCIARY FUNDS

NON-CASH INVESTING ACTIVITIES

As of the report date, the non-cash net increase in the fair value of the investments of the General Reserve Endowment and the Perpetual Care Non-expendable Trust Funds totaled \$63,785 and \$1,046,371, respectively.

The accompanying notes are an integral part of these financial statements.

FUNDS INTERNAL SERVICE	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1999	1998
541,581	1,312,041	17,808,986	12,165,269
5,993,065	0	14,945,543	14,678,914
0	(903,338)	(903,338)	(471,710)
0	(503,211)	(503,211)	(509,437)
0	0	(102,757)	(87,228)
0	0	508,215	(932,611)
0	0	236,356	(220,989)
0	(16,495)	(16,495)	6,574
2,509	0	104,033	(77,695)
0	0	95,066	95,705
14,963	0	14,963	(100,000)
(275,322)	105,437	(2,342,733)	1,785,935
5,526	0	76,668	104,794
0	0	19,329	(5,993)
(2,126,025)	0	(2,126,025)	748,867
0	0	354,345	464,971
(9,900)	0	118,822	36,972
(70,052)	0	168,428	(151,217)
0	0	124,791	(131,652)
3,534,764	(1,317,607)	10,772,000	15,234,200
4,076,345	(5,566)	28,580,986	27,399,469
	\$ 0		
	0		
	122,548		
	\$ 122,548		

Continued from previous page

**CITY OF FORT LAUDERDALE, FLORIDA**

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

	<u>GENERAL EMPLOYEES'</u>	<u>POLICE AND FIRE</u>	<u>TOTAL</u>
<u>ADDITIONS</u>			
Contributions			
City	\$ 5,693,583	6,054,880	11,748,463
Employee	3,186,079	2,655,920	5,841,999
State	0	2,879,668	2,879,668
County	69,819	0	69,819
Total	<u>8,949,481</u>	<u>11,590,468</u>	<u>20,539,949</u>
Investment Income			
Interest	4,598,248	9,200,657	13,798,905
Dividends	2,255,747	2,828,166	5,083,913
Net Appreciation in Fair Value of Investments	33,921,313	32,339,259	66,260,572
Other	105,342	0	105,342
Total	<u>40,880,650</u>	<u>44,368,082</u>	<u>85,248,732</u>
Investment Expense	585,802	1,074,988	1,660,790
Net Investment Income	<u>40,294,848</u>	<u>43,293,094</u>	<u>83,587,942</u>
Other Income	97,265	19,579	116,844
Total Additions	<u>49,341,594</u>	<u>54,903,141</u>	<u>104,244,735</u>
<u>DEDUCTIONS</u>			
Benefits Paid			
Retirement	11,867,209	14,758,923	26,626,132
Disability	349,950	474,225	824,175
Death	691,298	179,300	870,598
Total	<u>12,908,457</u>	<u>15,412,448</u>	<u>28,320,905</u>
Refunds			
Employee Contributions	436,800	32,227	469,027
Interest on Contributions	52,131	7,447	59,578
Total	<u>488,931</u>	<u>39,674</u>	<u>528,605</u>
Administrative Costs	263,689	342,921	606,610
Total Deductions	<u>13,661,077</u>	<u>15,795,043</u>	<u>29,456,120</u>
<u>NET INCREASE</u>	35,680,517	39,108,098	74,788,615
<u>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION</u>			
<u>BENEFITS - BEGINNING OF PERIOD</u>	<u>233,983,493</u>	<u>341,784,272</u>	<u>575,767,765</u>
<u>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION</u>			
<u>BENEFITS - END OF PERIOD</u>	<u>\$ 269,664,010</u>	<u>380,892,370</u>	<u>650,556,380</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

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## CITY OF FORT LAUDERDALE, FLORIDA

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1999

#### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Fort Lauderdale, Florida (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The following is a summary of the more significant accounting policies of the City:

- (A) The Financial Reporting Entity - The City was incorporated in 1911, covers an area of approximately 33 square miles and is the county seat of Broward County, Florida. The City is governed by an elected five member commission composed of a Mayor and four District Commissioners and provides services to its approximately 150,000 residents in many areas, including law enforcement, community enrichment and development and various human services. As required by GAAP, these financial statements present the City of Fort Lauderdale (the primary government) and its component units. The component units discussed in note 1(B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.
- (B) Individual Component Unit Disclosure - The criteria used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

The Fort Lauderdale Community Redevelopment Agency (CRA) is governed by a five member board appointed by the City Commission (currently composed of the City Commission, itself). Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The CRA is reported within the special revenue fund type using the blended method. Separate financial information for the CRA can be obtained from the City's Planning and Economic Development Department.

The Sunrise Key Safe Neighborhood Improvement District (SK) is governed by a seven member board appointed by the City Commission. While legally separate from the City, SK is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for the SK. The City Commission has the power to approve, disapprove or modify the budget and millage rates or assessments submitted by the board. Separate financial information can be obtained from the Sk.

## CITY OF FORT LAUDERDALE, FLORIDA

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1999

- (C) Related Organizations - The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not significantly extend beyond making the appointments. The City Commission appoints the governing board of the City of Fort Lauderdale Downtown Development Authority (DDA) and the Housing Authority of the City of Fort Lauderdale (HA). The City is not financially accountable for either the DDA or HA.
- (D) Joint Ventures - The City is a participant with the Performing Arts Center Authority (PACA) and the DDA in a joint venture to own and operate the 950 space Arts and Science District Parking Garage. The City has an ongoing financial interest in this joint venture which is discussed in note 7.
- (E) Basis of Presentation - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the City:

#### **GOVERNMENTAL FUND TYPES**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than net income. The following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - Debt service funds are used to account for the annual payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

## **CITY OF FORT LAUDERDALE, FLORIDA**

### **NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1999**

#### **PROPRIETARY FUND TYPES**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is on determination of net income. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City or to other governmental units.

#### **FIDUCIARY FUND TYPES**

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. The following are the City's fiduciary fund types:

Trust and Agency Funds - Trust and agency funds are used to account for assets held in trust or as an agent by the City for others. The City has two types of trust funds: nonexpendable and pension. Nonexpendable and pension trust funds are accounted for and reported in the same manner as proprietary funds. Agency funds are custodial in nature and do not involve measurement of net income.

#### **ACCOUNT GROUPS**

Account groups are used to establish accounting controls and accountability for the City's general fixed assets and its general long-term debt. The City's account groups are further described below:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the enterprise, internal service and pension trust funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the City except that accounted for in the enterprise and internal service funds.

#### **COMPARATIVE TOTAL DATA**

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

Comparative total data are the aggregate of the fund types, account groups and the discretely presented component unit. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated financial information and are labeled as "memorandum only".

Total data for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations.

- (F) Basis of Accounting - The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., measurable and available to finance the City's operations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the related fund liabilities are incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences and longevity pay, which are recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual.

The major utility and franchise taxes are recorded as revenues when earned. Licenses and permits, fines and forfeitures, charges for services, and other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are recorded as revenues in the fiscal year levied, provided they are collected in the current period or within sixty days thereafter. Those remaining uncollected are recorded as deferred revenues. Investment income is recorded as revenue when earned. Special assessments are recorded as revenues only to the extent that individual installments are considered available.

The accrual basis of accounting is utilized by proprietary funds and pension and nonexpendable trust funds. Unbilled service receivables have been accrued in the proprietary funds.

- (G) Budgetary Data - The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

- (1) Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted.
- (3) Prior to October 1, the budget is legally enacted.
- (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Any revisions that alter the total expenditures of any department must be approved by the City Commission. Unencumbered balances of appropriations lapse at year end.
- (5) Annual budgets are adopted for all governmental and proprietary funds except the Law Enforcement Confiscated Property Special Revenue Fund and the capital project funds. The budgets have been adopted on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses (see note 2 for further disclosure).

The reported budgetary data represents the final approved budget after amendments adopted by the City Commission with one exception. Budgets for grants and shared revenues from other governmental units which do not lapse at year end are only reported to the extent of revenues recognized and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

- (H) Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.
- (I) Cash and Cash Equivalents - The City considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.
- (J) Investments - Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

earned from this pool is allocated to the respective funds based upon average monthly balances.

- (K) Inventories - Inventories in the special revenue and capital projects funds are composed of land held for redevelopment or resale and are stated at cost. Inventories of materials and supplies in the general, enterprise and internal service funds are based on year end physical counts priced at weighted average cost. Inventories are recognized as expenditures or expenses when consumed.
- (L) Advances to Other Funds - Long-term interfund advances of the governmental funds are recorded by the advancing fund as a receivable and a reservation of fund balance. Repayments reduce the corresponding receivable and the reserve.
- (M) Fixed Assets - Proprietary and Pension Trust Funds - Property, plant and equipment owned by the proprietary and pension trust funds are stated at cost or estimated historical cost. Contributions of fixed assets received from Federal, state or local sources are recorded as contributions when received and are stated at estimated fair market value at the time of acquisition. Depreciation on such externally contributed fixed assets is recorded as a reduction of contributed equity. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures.

Depreciation of plant and equipment is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Equipment	3-15 years

- (N) General Fixed Assets - General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Certain improvements, including roads, bridges, curbs and gutters, streets, sidewalks and lighting systems, are not capitalized. Such assets normally are immovable and of value only to the City. No depreciation has been provided on general fixed assets.

- (O) Pension Plans - The City provides separate defined benefit pension plans for general employees and uniformed police and fire department personnel. The City also provides a defined contribution pension plan for general employees not eligible to participate in the defined benefit plan. It is the City's policy to fund the normal cost and amortization of the unfunded prior service cost (see note 13).

## CITY OF FORT LAUDERDALE, FLORIDA

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1999

- (P) Self-Insurance - The City is self-insured for general liability, automobile liability, police professional liability, workers' compensation, employee relations and certain death benefits. The operating funds are charged premiums by the City Insurance Internal Service Fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year end including claims incurred and not yet reported.
- (Q) Employee Compensated Absences and Longevity - City employees are granted sick, vacation and longevity pay in varying amounts based on length of service. Compensatory time is granted to employees in lieu of overtime pay at the employee's request. Sick leave payments to terminated employees are based on length of service. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds to the extent that such amounts will be paid from expendable available resources. The remaining portion has been recorded as a liability in the general long-term debt account group. Accumulated compensated absences and longevity are recorded as expenses in the proprietary funds when earned.
- (R) Reserves - Reserves are reported in the various funds to indicate that portion of fund balance/retained earnings legally segregated for specific purposes.
- (S) Landfill Closure Costs - Landfill closure and postclosure care costs represent an estimate of the City's share of total current costs to close and monitor the City's landfill. The landfill is accounted for in the Sanitation Enterprise Fund.
- (T) Proprietary Fund Accounting - In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", all proprietary funds will apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The City chooses not to follow FASB guidance issued after November 30, 1989 for its proprietary funds.

#### (2) COMPARISON OF BUDGET TO ACTUAL RESULTS:

As discussed in note 1(G)(5), certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments necessary to compare the fund balances of the general and special revenue funds at year end follow:

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
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	<u>General</u>	<u>Special Revenue</u>
Combined statement of revenues, expenditures and changes in fund balances - page 7	\$ 9,377,671	15,658,892
Basis of accounting adjustments:		
Encumbrances	(1,888,372)	(132,278)
Equity adjustments:		
Fund balances of non-budgeted funds		
Law Enforcement Confiscated Property Fund	<u>0</u>	<u>(2,579,365)</u>
Combined statement of revenues, expenditures and changes in fund balances - budget and actual (budget basis) - page 9	\$ <u>7,489,299</u>	<u>12,947,249</u>

**(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS:**

The City maintains a common cash and investment pool for use by all funds. In addition, cash and investments are separately held by the City's special revenue, debt service, capital projects, enterprise and trust funds.

**Cash and Cash Equivalents**

At September 30, 1999 the carrying amount of the City's deposits was \$10,525,088 with a bank balance of \$10,745,441. Of the bank balance, \$335,866 was covered by Federal depository insurance or by collateral held by the City's agent in the City's name and \$10,409,575 was insured via participation by the bank in the Florida Security for Public Deposits Act. Included in the carrying amount of deposits was \$121,512 cash on hand.

**Investments**

In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", all investments are reported at fair value.

Florida Statutes and City Ordinance authorize City officials to invest pooled funds in United States and corporate bonds and obligations, guaranteed United States agency issues, Florida state, county, municipal, school district and other political subdivision general, excise and revenue obligations, the Florida State Investment Pool, the Florida Municipal Investment Trust, Florida bank certificates of deposit, bankers acceptances, repurchase agreements, reverse repurchase agreements and prime commercial paper issues. In addition, the trust funds are authorized to invest in corporate bonds and stocks, money market funds, real estate and mortgages and notes.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial



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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
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institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's counterparty, or by its trust department or agent, but not in the City's name.

Open market securities and mutual fund fair values were determined using the quoted market values on the exchange in which the securities are traded. The value of the City's investment in the Florida State Investment Pool, which is not Securities and Exchange Commission (SEC) registered but which qualifies as an SEC 2a7-like pool, is the same as the pool's share price. This local government surplus fund investment pool is administered by the Florida State Board of Administration, an agency of the State of Florida, with regulatory oversight exercised by the State. Likewise the Florida Municipal Investment Trust, a local government investment trust administered by the Florida League of Cities, is not SEC registered, but qualifies as an SEC 2a7-like pool. The value of the City's investment in the trust is based upon changes in market value of the underlying securities. The City's real estate holding is comprised of its share in a real estate investment trust. The value of the trust property portfolio is based upon the most recent appraised value.

At September 30, 1999 the fair value and category of credit risk of the City's investments are as follows:

	<u>Category 1</u>	<u>Fair Value</u>
U.S. Treasury Securities	\$ 124,925,037	124,925,037
U.S. Government Agency Securities	68,708,077	68,708,077
Commercial Paper	4,931,333	4,931,333
Corporate Obligations	88,534,910	88,534,910
Common Stock	<u>399,384,344</u>	<u>399,384,344</u>
	\$ <u>686,483,701</u>	686,483,701
Money Market Mutual Funds		36,006,425
Florida State Investment Pool		121,764,064
Florida Municipal Investment Trust		11,979,474
Real Estate Investments		<u>2,163,058</u>
		\$ <u>858,396,722</u>

As of September 30, 1999 the Florida State Investment Pool (Pool) contained certain floating and variable rate notes, which could be classified as "derivative" investments under GASB Technical Bulletin No. 94-1. Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate or index. During the year all floating and variable rate notes owned by the Pool were index based floaters derived from the fixed prime rate and/or one and three month London Inter-Bank Offered Rates. As of September 30, 1999 the Pool's investment in this type of instrument represented approximately 10.33% of the total Pool investments.

Interest receivable on the City's investment pool amounted to \$177,474 at September 30, 1999.

(4) PROPERTY TAXES:

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The City's property tax is levied, becomes a lien on real and personal property located in the City and is recorded as a receivable on November 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser. The assessed value at January 1, 1998, upon which the 1998-99 levy was based, was approximately \$11.1 billion.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for General Fund operations exclusive of voted debt levies. Taxes levied for the General Fund for the 1998-99 fiscal year were 5.0062 mills for operations and 0.6671 for debt service.

All taxes are due from property holders on March 31, become delinquent on April 1 and become subject to the issuance of tax sale certificates on June 1. Current tax collections for the year ended September 30, 1999 were approximately 99.0% of the total tax levy.

**(5) INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivable and payable balances at September 30, 1999 follow:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Capital Projects Funds:		
Sunshine State Construction Fund 1996	\$1,365,460	0
Excise Tax Construction Fund 1998C	0	1,365,460
Enterprise Funds:		
Water and Sewer	1,097,634	0
Trust Funds:		
General Employees' Pension	0	10,533
Police and Fire Pension	0	1,087,101
	<u>\$ 2,463,094</u>	<u>2,463,094</u>

**(6) FIXED ASSETS:**

The components of fixed assets at September 30, 1999 follow:

<u>Proprietary Funds</u>			General
Enterprise	Internal Service	Trust	Fixed Assets Account

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	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Group</u>	<u>Total</u>
Land	\$ 16,093,013	0	0	28,928,380	45,021,393
Buildings	169,168,328	708,459	0	77,502,773	247,379,560
Improvements	221,864,785	672,921	0	47,962,967	270,500,673
Equipment	23,538,985	43,017,549	50,495	33,770,966	100,377,995
Work in Progress	<u>21,304,789</u>	<u>771,695</u>	<u>0</u>	<u>7,070,631</u>	<u>29,147,115</u>
	451,969,900	45,170,624	50,495	195,235,717	692,426,736
Less Accumulated Depreciation	<u>145,424,081</u>	<u>25,369,329</u>	<u>38,401</u>	<u>0</u>	<u>170,831,811</u>
	<u>\$ 306,545,819</u>	<u>19,801,295</u>	<u>12,094</u>	<u>195,235,717</u>	<u>521,594,925</u>

The following tables summarize changes in components of the general fixed assets account group:

	<u>Balance October 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 1999</u>
Land	\$ 26,773,815	2,154,565	0	28,928,380
Buildings	76,970,610	532,163	0	77,502,773
Improvements	40,850,405	7,530,221	417,659	47,962,967
Equipment	25,921,692	8,011,030	161,756	33,770,966
Work in Progress	<u>11,273,761</u>	<u>11,309,399</u>	<u>15,512,529</u>	<u>7,070,631</u>
	<u>\$ 181,790,283</u>	<u>29,537,378</u>	<u>16,091,944</u>	<u>195,235,717</u>

The sources of general fixed assets acquired follow:

General Fund	\$21,167,140
Special Revenue	26,569,864
Capital Projects	129,615,765
Enterprise	286,963
Contributed	2,021,929
Assets acquired prior to October 1, 1974 - sources undetermined	<u>15,574,056</u>
	<u>\$ 195,235,717</u>

**(7) INVESTMENT IN JOINT VENTURE:**

The City has agreements with the PACA and the DDA for the operation of a 950 space parking garage in the Arts and Science District of the City. The City, as operating agent, has full and exclusive responsibility for operation and maintenance of the garage which is being accounted for as a joint venture in the Parking System Fund using the equity method of accounting.

The City collects all revenues and pays all operating expenses for the garage and determines the allocation to each of the participants monthly. Net income for the year was \$792,469, derived

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
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exclusively from operations. The equity interests of the City, the PACA and the DDA totaled \$1,321,301, \$1,518,933 and \$711,672, respectively at September 30, 1999. Separate financial statements for the joint venture are available from the City's Finance Department.

**(8) RISK MANAGEMENT:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City Insurance Internal Service Fund is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employee relations, general liability, auto liability and police professional liability as specified by applicable Federal and state statutes. The City purchases commercial insurance for workers' compensation claims in excess of \$400,000 for employees with statutory limits per accident. In addition, property insurance is purchased for City structures with a \$100,000 retention and total limits in force of \$245,000,000. Settled claims have never exceeded the City's retention and excess coverage in force.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated insurance claims payable at September 30, 1999 of \$14,835,575 is based on the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30 "Risk Financing Omnibus", which requires that claims liabilities be based upon the estimated ultimate costs of settling the claims, including incremental costs, such as outside legal assistance costs incurred only because of the claims and that the liability include incurred but not reported losses estimated based upon historical experience. Changes in the balance of estimated insurance claims payable for the fiscal years ended September 30, 1998 and 1999 follow:

	<u>Balance October 1</u>	<u>New Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance September 30</u>
Fiscal Year Ending in:				
1998	\$ 16,212,733	6,648,994	5,900,127	16,961,600
1999	16,961,600	4,904,448	7,030,473	14,835,575

**(9) LONG-TERM DEBT:**

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 1999:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>
Payable at October 1, 1998	\$ 43,261,726	6,286,640	119,289,956

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New Debt Issued:			
General Obligation Bonds	0	0	25,970,000
Excise Tax Bonds	0	0	12,000,000
Debt Retired:			
General Obligation Bonds	0	0	(4,330,000)
General Obligation Bonds Defeased	0	0	(25,395,000)
Excise Tax Bonds	(985,000)	(570,000)	(2,140,000)
Revenue Bonds	(3,100,000)	0	0
Revenue Bonds Defeased	(12,430,000)	0	0
Tax Increment Revenue Bonds	0	0	(270,000)
Sunshine State Financing Commission Loans	0	0	(1,520,000)
Net Change in Accrued Compensated Absences and Longevity	<u>128,722</u>	<u>( 9,900)</u>	<u>1,527,099</u>
Payable at September 30, 1999	<u>\$26,875,448</u>	<u>5,706,740</u>	<u>125,132,055</u>

Bonds, Notes and Loans Payable at September 30, 1999 consists of:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>
General Obligation Bonds	\$ 0	0	58,570,000
Excise Tax Bonds	7,110,000	5,475,000	26,295,000
Water and Sewer Revenue Bonds	6,100,000	0	0
Tax Increment Revenue Bonds	0	0	5,320,000
Sunshine State Financing Commission Loans	<u>0</u>	<u>0</u>	<u>15,190,000</u>
	<u>\$ 13,210,000</u>	<u>5,475,000</u>	<u>105,375,000</u>

Bonds outstanding at September 30, 1999 mature in varying amounts during succeeding fiscal years through 2018. Interest rates are as follows: 4.0% to 5.5% on general obligation bonds, 3.2% to 6.6% on excise tax bonds, 4.9% to 5.0% on water and sewer revenue bonds and 5.2% to 6.2% on tax increment revenue bonds. The Sunshine State Financing Commission Loans are variable rate instruments with the tax exempt loans averaging 3.75% and the taxable loan averaging 5.8%.

The annual requirements to pay principal and interest on the bonds, notes and loans outstanding at September 30, 1999 (in thousands) follow and include estimated amounts for interest on the variable rate Sunshine State Loans:

	<u>Enterprise Funds</u>		<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>			
	<u>Excise Tax Bonds</u>	<u>Water &amp; Sewer Revenue Bonds</u>	<u>Excise Tax Bonds</u>	<u>General Obliga- tion Bonds</u>	<u>Excise Tax Bonds</u>	<u>Tax Increment Revenue Bonds</u>	<u>Sunshine State Loans</u>
Fiscal Year Ending In:							
2000	\$ 1,453	3,332	817	6,786	3,178	602	1,733
2001	1,438	3,224	819	6,802	3,177	602	1,801

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**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
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2002	1,433	0	814	6,799	3,185	605	1,874
2003	1,414	0	818	6,674	3,178	603	1,948
2004	1,407	0	816	6,645	3,182	603	2,032
2005-2009	1,398	0	2,446	25,562	13,346	3,017	4,368
2010-2014	0	0	0	14,486	0	1,814	1,623
2015-2018	0	0	0	8,744	0	0	573
	<u>\$ 8,543</u>	<u>6,556</u>	<u>6,530</u>	<u>82,498</u>	<u>29,246</u>	<u>7,846</u>	<u>15,952</u>

Water and Sewer Revenue Bonds are secured by a pledge of the net revenues of the City's water and sewer system. General Obligation Bonds are secured by the full faith and credit of the City. The Excise Tax Bonds are secured by a pledge of certain utility service, cigarette and franchise taxes. In addition, the City of Pompano Beach, Florida has contractually agreed to pay 39% of the debt service costs on the Excise Tax Improvement Bonds which were used to fund an 800 MHz public safety communications system for both cities. Tax Increment Revenue Bonds are secured by a pledge of the net revenues of the City's parking system. The Sunshine State Financing Commission Loans are secured by a pledge of non-ad valorem tax revenues and a covenant to budget and appropriate.

In November 1985, the Sunshine State Governmental Commission (the Commission) was created. As of September 30, 1999, eleven cities and three counties were members of the Commission. Two cities participate as non-members. Under this interlocal agreement among the member governments, the Commission enables a limited number of qualifying governments to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governments. The City has no obligation and minimal event risk associated with the Commission other than the repayment of its loan. Financial statements may be obtained from the Commission.

The bond resolutions of the various Excise Tax Improvement and Revenue Bond issues require that sufficient funds be available to meet the largest debt service requirement in any ensuing fiscal year. The City maintains a municipal bond debt service reserve fund insurance policy to satisfy this requirement for its outstanding Excise Tax Improvement Bonds, thereby eliminating the need to set aside funds for this purpose. At September 30, 1999 funds available met the debt service requirements for Revenue Bonds.

The City has refinanced various bond issues through the issuance of refunding bond issues or otherwise has defeased outstanding debt. The proceeds from the refunding issues have been deposited in irrevocable trusts at commercial banks and invested in U.S. Government securities, which together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest on the issues refunded. The assets, liabilities, and financial transactions of these trust accounts are not reflected in the financial statements of the City. At September 30, 1999 total defeased debt outstanding was as follows:

Water and Sewer Revenue Bonds, Series 1978	\$ 7,100,000
Water and Sewer Revenue Bonds, Series 1993B	12,430,000
Excise Tax Improvement Bonds, Series 1992	<u>5,800,000</u>

**CITY OF FORT LAUDERDALE, FLORIDA**

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**\$ 25,330,000**

On October 8, 1998 the City issued \$25,970,000 in General Obligation Refunding Bonds, Series 1998 at an average interest rate of 4.46% to advance refund \$25,395,000 of the Series 1992 General Obligation Refunding Bonds with an average interest rate of 6.21%. The net proceeds of \$26,125,103 (\$25,970,000 plus a premium of \$346,129 less bond issuance costs of \$191,026) were used to purchase U.S. Government securities. The proceeds from the maturing securities including interest earned of \$301,763 were used to call the bonds on January 1, 1999. This refunding allowed the City to reduce its debt service payments over the next eight years by \$2,240,000 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$1,870,000.

On December 17, 1998 the City sold \$12,000,000 in Excise Tax Improvement Bonds, Series 1998C to provide funding for general capital improvements. The bonds carry interest rates ranging from 3% to 4% and are to be repaid using semi-annual interest and annual principal payments over a period of 10 years (1999-2009) from general governmental revenues.

In 1993 the City issued \$12,430,000 in Water and Sewer Revenue Bonds, Series 1993B to provide funds for a proposed wastewater reuse plan and facility that, it was believed at the time, would be required by the regulatory agencies. A subsequent study determined that the reuse plan was not economically feasible and the regulatory agencies accepted this conclusion. Accordingly, on March 11, 1999 the bonds were defeased from remaining proceeds, including earnings on such, of the original bond issue. The City purchased \$12,701,956 in U.S. Government securities to pay the bonds as they become due in 2002 and when they become callable in 2003 resulting in an economic gain of \$2,624,762.

On December 23, 1998 the City issued \$2,605,000 16 year variable rate bonds due December 1, 2014 as conduit debt for the Ann Storck Inc. Health Care Facility. The proceeds of the bond were used to provide approximately \$200,000 in new money after issuance costs and \$2,350,000 to refund the Fort Lauderdale Development Center Health Facilities Revenue Bonds, Series 1983 originally issued at 13.5%. The defeasance is estimated to save the facility approximately \$1,460,000 over the life of the bonds assuming a 6.24% interest rate for the new debt.

**(10) ESTIMATED LANDFILL CLOSURE COSTS:**

The Wingate landfill and incinerator was an active disposal site from 1954 to 1978. In 1990, the site was designated by the Environmental Protection Agency (EPA) as a superfund site requiring the City to take remedial action. Based on the results of a 1994 Remedial Investigation and Feasibility Study, the EPA agreed to various remedies including a single layer cap in 1996 in a final Record of Decision at an estimated remediation cost of \$20,500,000 which was recognized as a liability in the Sanitation Enterprise Fund. In 1998, the City entered into an agreement with the Potentially Responsible Parties (PRPs), know as the Wingate Superfund Group, to oversee compliance with a 1998 Consent Decree between the City, the EPA and the PRP's. As a result of the agreement, the City reduced its estimated remediation liability to \$10,000,000.

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The consent decree provides for payment of expenses associated with the remediation, promotes cost effective response actions, allocates management and financial responsibilities and resolves claims for cost recovery between the parties. The consent decree was validated December 28, 1999 allowing site remediation to commence. The agreement with the Wingate Superfund Group creates a trust fund for collection and disbursement of funds for the remediation and limits the City's share of remediation costs to \$8,325,000. In addition, we anticipate incurring another \$1,675,000 in ancillary costs. We anticipate that our share of postclosure costs will be financed with a combination of revenue bonds and existing funds and that the closure will be completed by December 2001.

**(11) CONTRIBUTIONS:**

The enterprise and internal service funds receive permanent contributions of capital from certain government agencies and other sources. Most of these contributions are restricted by the contributing government agency to the acquisition or construction of capital facilities. The additions and major sources of contributions are as follows:

	<u>Water and Sewer</u>	<u>Other Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Contributions at October 1, 1998	\$ 100,600,005	12,813,412	15,518,602	128,932,019
Additions (Deletions):				
Federal Government	0	1,311,469	0	1,311,469
State of Florida	0	383,498	0	383,498
Other Local Units	72,000	0	0	72,000
Other Funds (Net)	288,341	300,000	647,092	1,235,433
Developers	1,040,076	0	0	1,040,076
Other	58,301	(64,000)	0	(5,699)
Current Year Depreciation	<u>(2,126,592)</u>	<u>(543,334)</u>	<u>(25,862)</u>	<u>(2,695,788)</u>
Contributions at September 30, 1999	\$ <u>99,932,131</u>	<u>14,201,045</u>	<u>16,139,832</u>	<u>130,273,008</u>

**(12) RETAINED EARNINGS/FUND BALANCES:**

Reserves have been established in the various funds to comply with generally accepted accounting principles or covenants contained in the bond resolutions of the revenue bond issues. In addition, portions of the unreserved fund balances have been designated for subsequent years' expenditures.

At September 30, 1999 the components of Retained Earnings/Fund Balances consist of the following:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Retained Earnings:			
Reserved for			
Revenue Bond Retirement	\$ 3,367,466	0	3,367,466
Replacement and Improvement	7,801,639	0	7,801,639
Regional Capital Improvements	5,631,020	0	5,631,020
Unreserved	<u>257,837,202</u>	<u>9,267,064</u>	<u>267,104,266</u>



**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

				\$ <u>274,637,327</u>	<u>9,267,064</u>	<u>283,904,391</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>Total</u>
Fund Balances:						
Reserved for						
Encumbrances	\$ 1,888,372	153,095	0	12,951,293	0	14,992,760
Inventories	160,309	10,468,027	0	3,048,533	0	13,676,869
Employees' Pension Benefits	0	0	0	0	650,556,380	650,556,380
Endowments	0	0	0	0	12,753,056	12,753,056
Debt Service	0	40,083	671,953	0	0	712,036
Unreserved						
Designated for Subsequent						
Years' Expenditures	6,450,383	2,034,059	0	41,021,483	0	49,505,925
Undesignated	<u>878,607</u>	<u>2,963,628</u>	<u>0</u>	<u>4,922,237</u>	<u>0</u>	<u>8,764,472</u>
	\$ <u>9,377,671</u>	<u>15,658,892</u>	<u>671,953</u>	<u>61,943,546</u>	<u>663,309,436</u>	<u>750,961,498</u>

At September 30, 1999 the following funds had deficit balances in retained earnings that were either fully or partially offset by accumulated contributions:

	<u>Retained Earnings</u>	<u>Contributions</u>	<u>Fund Equity</u>
Sanitation Fund	\$ (4,394,459)	1,400,730	(2,993,729)
Central Services Fund	(1,992,415)	7,066,906	5,074,491

The Sanitation Fund deficit resulted from its estimated landfill closure liability of \$10,000,000 which is further described in note 10. The deficit in the Central Services Fund resulted solely from the annual depreciation of over \$6 million in contributed fixed assets.

**(13) EMPLOYEE RETIREMENT SYSTEMS:**

The City's pension plans are presented in accordance with GASB Statements No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 27 "Accounting for Pensions by State and Local Governmental Employers". The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local governmental employers.

**Defined Benefit Plans - Plan Descriptions and Funding Policies**

**General Employees Retirement System**

The General Employees Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all City employees except police and firefighters. The City's payroll for employees covered by the plan applicable to the September 30, 1998 actuarial valuation was approximately \$49,013,000. The total City payroll at that time was approximately \$103,548,000. As of the valuation date, employee membership data related to the pension plan was as follows:

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

Retirees and beneficiaries currently receiving benefits	948
Terminated employees entitled to benefits but not yet receiving them	26
Fully, partially and non-vested active plan participants	1,343

Under the vesting provisions of the plan, most employees are entitled to 100% of normal retirement benefits after 5 years of service beginning at age 58. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 4% to 6% of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For the current year the City's contribution rate as a percentage of annual covered payroll was 11.6%.

**Police and Firefighters Retirement System**

The Police and Firefighters Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all police and firefighters. The City's payroll for employees covered by the plan applicable to the December 31, 1998 actuarial valuation was approximately \$37,102,000. The total City payroll at that time was approximately \$108,876,000. As of the valuation date, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	592
Terminated employees entitled to benefits but not yet receiving them	26
Fully, partially and non-vested active plan participants	683

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 47 or 50. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 6% to 7% of their earnings to the plan. In addition, contributions are received from the State of Florida. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of December 31 each year. For the current year the City and State of Florida contribution rates as percentages of annual covered payroll were 18.2% and 8.7%, respectively.

# CITY OF FORT LAUDERDALE, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1999

### Annual Pension Cost and Actuarial Methods and Assumptions

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The APC for the General Employees and Police and Firefighters plans for the last three fiscal years follow:

	<u>General Employees</u>		<u>Police and Firefighters</u>	
	<u>Amount</u>	<u>Percent Contributed</u>	<u>Amount</u>	<u>Percent Contributed</u>
Fiscal Year Ended In:				
1997	\$ 6,022,556	100%	\$ 7,092,440	100%
1998	5,482,994	100	6,653,658	100
1999	5,693,583	100	6,054,880	100

Since the City contributed 100% of the APC in each of the years indicated, there was no net pension obligation at the end of any year for either plan.

Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the current year follow:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Valuation Date	September 30, 1998	December 31, 1997
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	14-30 Years	4-30 Years
Asset Valuation Method	Three year smoothed market	Investment earnings greater than assumed rate over 4 year
Actuarial Assumptions:		
Investment Rate of Return	7.5% Including 4% Inflation	8% Including 4.5% Inflation
Projected Salary Increases	4.5% - 6.9%	5.2% - 8.2%
Cost-of-Living Adjustments (COLA)	Ad Hoc COLA's are granted with City Commission approval if investment earnings exceeded the funding assumptions in the prior year.	A COLA, limited to the change in the CPI, is granted each year to the extent it can be funded by the net experience gains during the prior year.

Six year historical trend information is presented in supplementary schedules following these notes (see page 43). In addition, both the General Employees and Police and Firefighters Retirement Systems issue separate financial statements. The Police and Fire plan statements are issued annually and the General Employees plan statements are issued biennially.

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

Defined Contribution Plans

General Employees Special Class Plan

The General Employees Special Class Plan is a single-employer defined contribution plan administered by the City which covers all classified City employees (except police and firefighters) who are not eligible to participate in the General Employees Retirement System. The City's current year payroll for employees covered by the plan was approximately \$971,000. The total City payroll for the year was approximately \$110,381,000.

The City contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$87,386 for the current year. Employee contributions are neither required or permitted under the plan.

Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

(14) OTHER POSTEMPLOYMENT BENEFITS:

The City provides a postemployment health insurance benefit for its general employees and sworn police officers. Employees are paid from \$100 to \$300 per month upon normal retirement for the purchase of health insurance. The benefit continues until age 65 and is funded on a pay-as-you-go basis. As of September 30, 1999 there were 135 retired employees receiving the benefit with an additional 2,013 employees eligible for participation in the future. Payments totaled \$269,775 for the year.

(15) DEFERRED COMPENSATION PLAN:

The City offers a deferred compensation plan to its employees in addition to the pension plans. Participation is optional. The City has adopted the provisions of IRS code Section 457(g) and GASB Statement No. 32 "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans". Under these provisions, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements.

(16) OTHER INCOME:

The components of other income on the combined statement of revenues, expenditures and changes in fund balances - all governmental fund types follow:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Interfund Service Charges	\$ 13,093,477	5,595	0	0	13,099,072
Assessments and Impact Fees	0	0	0	138,538	138,538

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

Interest	852,757	274,592	118,874	2,988,629	4,234,852
Rents and Concessions	2,029,571	170,407	0	0	2,199,978
Sale of Property	7,585	0	0	0	7,585
Contributions and Donations	0	0	0	129,554	129,554
Miscellaneous	<u>394,386</u>	<u>376,661</u>	<u>0</u>	<u>0</u>	<u>771,047</u>
	\$ <u>16,377,776</u>	<u>827,255</u>	<u>118,874</u>	<u>3,256,721</u>	<u>20,580,626</u>

(17) EQUITY TRANSFERS:

Transfers of equity between funds are recorded as equity transfers in the governmental funds and as equity transfers or as additions to and deletions of contributions in the enterprise and internal service funds. A summary of these transactions for the year ended September 30, 1999 follows:

	Equity Transfers <u>Out</u>	Additions To Contributions	<u>Total</u>
Governmental Funds	\$ (779,126)	0	(779,126)
Enterprise Funds	(456,307)	588,341	132,034
Internal Service Funds	<u>0</u>	<u>647,092</u>	<u>647,092</u>
	\$ <u>(1,235,433)</u>	<u>1,235,433</u>	<u>0</u>

(18) OPERATING LEASES:

On September 1, 1962 the City entered into a lease agreement with Bahia Mar Yachting Center, Inc. (Bahia Mar) for the purpose of constructing and operating a restaurant, lounge, yacht club, motel/hotel, convention hall, marine facilities and other similar businesses. The cost of the property at the inception of the lease was \$552,000. On June 30, 1994 this lease was assumed by RAHN Bahia Mar, LTD. and, as amended, will terminate on August 31, 2062, at which time, all additions to the property originally leased to Bahia Mar will revert to the City.

The lease agreement provides for a minimum guaranteed annual rental of \$300,000 per year. In addition, the City receives contingent rentals (\$465,573 in 1999) based upon escalating percentages of gross receipts for the duration of the agreement.

The City has various aviation leases and nonaviation land leases which are accounted for as operating leases in the Airport Fund. Minimum future rentals on these leases as of September 30, 1999 follow:

	<u>Aviation Leases</u>	<u>Land Leases</u>	<u>Total</u>
Fiscal Year Ending in:			
2000	\$ 738,177	1,741,114	2,479,291
2001	738,177	1,741,114	2,479,291

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

2002	738,177	1,741,114	2,479,291
2003	728,195	1,741,114	2,469,309
2004	727,287	1,741,114	2,468,401
Later Years	<u>12,904,043</u>	<u>50,787,860</u>	<u>63,691,903</u>
	<u>\$ 16,574,056</u>	<u>59,493,430</u>	<u>76,067,486</u>

Contingent rentals on these leases amounted to \$958,542 in the current year.

(19) SEGMENTS OF ENTERPRISE ACTIVITIES:

Various services provided by the City are financed by user charges including water and sewer, sanitation, parking, airport and stormwater. The key financial information (in thousands) for the year ended September 30, 1999 for these services follow:

<u>Stormwater</u>	<u>Total</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Parking System</u>	<u>Airport</u>	
Operating Revenues	\$ 59,351	17,160	7,448	3,663	2,470	90,092
Depreciation	7,251	166	793	652	90	8,952
Discount Amortization	16	0	50	0	0	66
Operating Income	12,157	1,136	2,252	171	239	15,955
Operating Transfers In	0	0	196	0	0	196
Operating Transfers Out	1,699	0	624	25	0	2,348
Net Income	13,181	1,404	1,653	766	549	17,553
Capital Contributions	1,459	0	(64)	1,995	0	3,390
Fixed Asset Additions	15,642	32	214	1,781	1,171	18,840
Fixed Asset Deletions	7	20	0	0	0	27
Net Working Capital	57,415	6,237	8,490	10,895	7,625	90,662
Total Assets	345,890	8,669	33,202	24,401	11,382	423,544
Long-Term Bonds	6,100	0	7,110	0	0	13,210
Other Long-Term Liabilities	0	10,000	0	0	0	10,000
Total Equity	330,667	(2,994)	25,902	24,159	11,036	388,770

(20) COMMITMENTS AND CONTINGENT LIABILITIES:

The City has outstanding commitments for construction and acquisition of property, plant and equipment in the various enterprise funds. The following is a summary of the more significant of these commitments at September 30, 1999:

**CITY OF FORT LAUDERDALE, FLORIDA**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999

<u>Water and Sewer Fund</u>	
Collection and Distribution Systems	\$ 4,833,665
Water Storage Tanks	82,477
Wastewater Treatment Plant Improvements	795,031
Water Treatment Plant Improvements	1,170,162
Sanitary Sewers	2,996,715
Other	<u>2,338,891</u>
	<u>12,216,941</u>
<u>Sanitation Fund</u>	
Wingate Landfill Closure	<u>321,757</u>
<u>Parking System Fund</u>	
Additional Public Parking	<u>84,000</u>
<u>Airport Fund</u>	
Airfield Improvements	1,072,711
Downtown Heliport	<u>144,266</u>
	<u>1,216,977</u>
<u>Stormwater Fund</u>	
Storm Drainage	<u>399,284</u>
	<u>\$ 14,238,959</u>

In connection with the issuance by the PACA of a \$9,885,000 revenue bond issue needed to complete construction of the center, the City has made a pledge of the net revenue of the parking system in an amount not to exceed \$500,000 annually should certain PACA revenues be insufficient to pay the debt service on the bonds. At September 30, 1999 the remaining principal outstanding on this issue was \$5,585,000.

On August 9, 1990 the City's wastewater biosolids compost plant was voluntarily taken out of service due to mechanical and odor control system problems. To address the disposal of the wastewater solids generated at the City's regional wastewater treatment plant, the City determined, from both an economic and regulatory standpoint, that the most viable solution was land application of the solids. The cost of the existing plant, which currently has a book value of \$21.8 million, was partially reimbursed by \$15.8 million in EPA grant funds. The City is currently negotiating with the EPA to permanently close the facility. If an agreement is reached, the plant will be disposed of and any reimbursement to the EPA would be limited to proceeds received from the disposal.

The City participates in a number of state and Federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As provided by terms of their grant, the EPA conducted an interim audit of the compost plant project in 1994 and requested reimbursement of \$1 million at that time. The City has vigorously disputed the EPA's findings and the situation remains unchanged at this time. No liability has been recognized in the Water and Sewer Fund for this contingency as it is management's belief that the final resolution will not have a material impact on the City's financial statements.

**CITY OF FORT LAUDERDALE, FLORIDA**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

The EPA has conducted a remedial investigation at the City's Peele Dixie wellfield site to determine the source of ground water contamination. Primary sources for the contamination have been tentatively determined by the EPA to be a former waste oil reclamation facility and a site currently owned by the State of Florida. The EPA is using the Superfund process to recover remediation costs from the responsible parties. A settlement is anticipated to be reached sometime in 2000. Based upon this information, the City firmly believes that it will not incur additional expenses toward the remediation of this site.

Various substantial lawsuits have been filed against the City including personal injury claims, liability claims related to police activities and general liability claims. The estimated liabilities related to the various claims have been accrued in the City Insurance Internal Service Fund. In the opinion of City management, the expected liability for these claims would not materially exceed the amounts recorded in the financial statements.



**CITY OF FORT LAUDERDALE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
LAST SIX FISCAL YEARS  
(IN MILLIONS)

GENERAL EMPLOYEES RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
9/30/93	\$ 137.6	165.8	28.2	83.0 %	\$ 43.3	65.1 %
9/30/94	147.4	181.0	33.6	81.4	41.8	80.4
9/30/95	163.3	192.6	29.3	84.8	42.7	68.6
9/30/96	175.9	215.9	40.0	81.5	43.1	92.8
9/30/97	204.9	225.9	21.0	90.7	45.4	46.3
9/30/98	228.1	247.5	19.4	92.2	49.0	39.6

POLICE AND FIREFIGHTERS RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
12/31/93	\$ 190.2	238.9	48.7	79.6 %	\$ 30.1	161.8 %
12/31/94	201.3	246.2	44.9	81.8	31.3	143.5
12/31/95	222.2	259.8	37.6	85.5	33.0	113.9
12/31/96	247.8	282.9	35.1	87.6	35.0	100.3
12/31/97	282.1	311.4	29.3	90.6	33.3	88.0
12/31/98	331.6	336.4	4.8	98.6	37.1	12.9

**CITY OF FORT LAUDERDALE, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES  
LAST SIX FISCAL YEARS

FISCAL YEAR ENDED	GENERAL EMPLOYEES RETIREMENT SYSTEM		POLICE AND FIREFIGHTERS RETIREMENT SYSTEM			
			CITY		STATE OF FLORIDA	
	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
9/30/94	\$ 5,222,632	100 %	\$ 6,601,871	100 %	\$ 1,851,225	100 %
9/30/95	6,253,916	100	6,534,875	100	1,944,969	100
9/30/96	5,091,855	100	8,008,653	100	2,217,051	100
9/30/97	6,022,556	100	7,092,440	100	2,379,035	100
9/30/98	5,482,994	100	6,653,658	100	2,902,854	100
9/30/99	5,693,583	100	6,054,880	100	2,879,668	100

**CITY OF FORT LAUDERDALE, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
YEAR 2000 ISSUE  
SEPTEMBER 30, 1999**

The year 2000 issue is the result of possible shortcomings in electronic data processing systems and other electronic equipment that may not have been programmed to process data accurately when the last two digits of the year change from 99 to 00 which could adversely affect the City's operations.

The City began working on the assessment stage of its year 2000 project in 1992 with an inventory of its mainframe computer systems. During that stage, the decision was made from both an economic and a technological standpoint to replace or upgrade the majority of those systems. Other electronic equipment was also considered in the assessment stage and no critical non-compliance issues were uncovered.

Remediation efforts began in 1994 when the City contracted with the first of several vendors for replacement systems. Commitments outstanding at year end for remediation related costs totaled approximately \$2,900,000.

The validation/testing stage began in 1998 and was completed in November 1999 for all systems considered to be critical to the City's operations. However, because of the unprecedented nature of the year 2000 issue, its effects and the success of the City's remediation efforts will not be fully determinable until the year 2000 and thereafter.